

§ 52i.8

(f) In the case of situations in which investment conditions result in the corpus referred to in paragraph (e) of this section having a net market value less than the value of the funds at the time of their receipt, appropriate actions must be taken (*e.g.*, careful review of the investment strategy) in order to preserve the value of the endowment corpus.

(g) An institution described in § 52i.3 receiving an endowment grant under section 464z-3(h) of the Act may not simultaneously receive endowment funds under section 464z-4(f) of the Act.

(h) Consistent with section 464z-4(f) of the Act, the Director, NIMHD, may designate for a research endowment some of the funds awarded to a Center of Excellence for research education and training.

§ 52i.8 When and for what purposes may a grantee spend the endowment fund corpus?

(a) A grantee may not withdraw or spend any part of the endowment fund corpus for a total of 20 years from the end of the project period.

(b) At the end of the 20-year period, during which the endowment corpus must be maintained, the grantee institution is encouraged to preserve the endowment fund corpus but may use the endowment fund corpus for any purpose that expands or develops the institution's minority health and/or health disparities research and/or training capacity.

§ 52i.9 How much endowment fund income may a grantee spend and for what purposes?

(a) Any endowment income realized in the initial year following the grant award under this part shall not be expended to support programmatic activities until after conclusion of the initial year of the grant.

(b) After the first year of the grant, a grantee awarded funds under this part may spend endowment income realized from funds it receives solely in accordance with the regulations of this part, the terms and conditions of the award, NIMHD policies and procedures, and the grantee's strategic plan that has been approved by the NIMHD and in-

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cludes priorities for the use of the endowment fund income.

§ 52i.10 How shall a grantee calculate the amount of endowment fund income that it may withdraw and spend?

A grantee awarded funds under this part shall calculate the amount of endowment fund income that it may withdraw and spend at a particular time as follows:

(a) On each date that the grantee plans a withdrawal of endowment fund income, the grantee must determine the amount of the income by calculating the value of the fund that exceeds the endowment fund corpus.

(b) If the total value of the endowment fund exceeds the endowment fund corpus, the grantee may withdraw and spend the excess amount, *i.e.*, the endowment fund income, in accordance with § 52i.9.

§ 52i.11 What shall a grantee record and report?

A grantee awarded funds under this part shall:

(a) Maintain appropriate records in compliance with this part and other requirements as referenced in terms of the award, including documentation of:

(1) The type and amount of investments of the endowment fund;

(2) The amount of endowment fund income and corpus;

(3) The amount and purpose of expenditures of endowment fund income; and

(4) The expenses and charges associated with the management of the endowment funds if such expenses and charges were paid from endowment fund income.

(b) Retain records in accordance with 45 CFR 74.53. The endowment fund corpus, fund income, and fund expenditures must be reported over a 20-year period, and supporting records are to be retained for 3 years after the submission of the final report to the NIMHD;

(c) Permit authorized officials the authority to conduct a review, as set forth in 45 CFR 74.53(e) (which states that the Department of Health and Human Services (HHS) awarding agencies, the HHS Inspector General, the U.S. Comptroller General, and any of